

MINUTES
SCOTTSDALE CITY COUNCIL
CITY COUNCIL MEETING
Tuesday, May 28, 2002

**The Kiva
City Hall
Scottsdale, Arizona**

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CALL TO ORDER (IN CITY HALL KIVA FORUM)

Mayor Manross called to order the Regular Meeting of the Scottsdale City Council on Tuesday, May 28, 2002 in the Kiva, City Hall, at 5:11 P.M.

ROLL CALL

Present: Mayor Mary Manross
Vice Mayor Tom Silverman
Council Members Ned O'Hearn, David Ortega, Robert Pettycrew, and Cynthia Lukas

Also Present: City Manager Jan Dolan
City Attorney David Pennartz
City Clerk Sonia Robertson

Absent: Councilman George Zraket

PLEDGE OF ALLEGIANCE

Councilman Pettycrew led the audience in the pledge of allegiance.

PRESENTATION

Proclamation presented to Scottsdale Prevention Institute

Mayor Manross presented the proclamation to the Scottsdale Prevention Institute in recognition of their 15-year anniversary of serving Scottsdale families in need. The document proclaimed Saturday, June 22, 2002 as Scottsdale Prevention Institute Day.

Stephania O'Neil spoke on behalf of the organization. She explained that the relationship between the organization and the City is such a unique partnership. In the last 15 years, over 150,000 adults, children, and families have been served by the Scottsdale Prevention Institute.

Marion Saba accepted the proclamation on behalf of the organization. She thanked the Council for the honor and expressed gratitude on behalf of everyone involved in the organization.

Farewell Presentation to Councilman Pettycrew and Councilman Zraket

Mayor Manross stated that both Councilman Pettycrew and Councilman Zraket care a great deal about Scottsdale. Obviously, they have sacrificed a great deal to be in their positions.

Mayor Manross explained that in the years she has been involved with the community, she has encountered no finer person than Robert Pettycrew. She thanked Councilman Pettycrew for the service he has given to the community.

Mayor Manross presented Councilman Pettycrew with a clock, framed photos of the various Councils he has served on, and cartoon sketches he has drawn over the years, which were collected and compiled into a scrapbook.

Councilman Pettycrew thanked the citizens and staff for their support. He thanked Carla, Francis Young, the late Mayor Drinkwater, and his father for the influence they have had on his life.

He explained his belief that the preserve effort is one of the best accomplishments the City has ever done since it will preserve the desert and mountains for future generations. He also stated his support of human services.

He introduced his family and thanked them for their support over the last 8 years. He congratulated Councilwoman Lukas as well as incoming Council members Wayne Ecton and Bob Littlefield.

Mayor Manross pointed out that Councilman Zraket served as a Council member for the past 4 years and has devoted a lot of energy to his position. He has been a member of the community for approximately 20 years.

Mayor Manross noted that although Councilman Zraket isn't present, the City has items which will be presented to him. The Mayor stated that Councilman Zraket will also receive a clock and framed photos of the Councils he served on during his term in office. In addition, Mayor Manross explained that Councilman Zraket is the only Scottsdale Councilman who has had his picture on the cover of the New Times; thus, the City had it framed for him.

Mayor Manross explained that the gifts would be forwarded to Councilman Zraket.

Mayor Manross thanked both Council members for their dedication and thanked the citizens present for their show of support.

PUBLIC COMMENT

Nancy Cantor, 2529 N. 86th Street, stated that Councilman Pettycrew has come a long way from PTA; however, now that he hasn't anything better to do, she urged him to come back. She thanked Councilman Pettycrew for everything he has done while on Council in regard to the schools. She stated that she is looking forward to seeing some action on the proposed school ordinance that will be presented to Council in the near future.

Jim Bateman, 865 N. Roosevelt Circle, thanked Councilman Pettycrew on behalf of the citizens in south Scottsdale for his proactive work in the area. He expressed his opinion that Councilman Pettycrew exemplifies what Council members should be.

Wendy Woodard, 6806 W. Rocking Road, thanked Council for their effort in maintaining the character of her neighborhood. She stated that this morning the City owned property in their neighborhood was sold for a private residence due to a decision Council made earlier.

MINUTES

SPECIAL MEETINGS

May 7, 2002
May 13, 2002

REGULAR MEETINGS

May 7, 2002
May 13, 2002

EXECUTIVE SESSIONS

Councilman O'Hearn requested a change on page 14 of the draft minutes for the regular meeting dated May 7, 2002. He requested that the last four words in the first paragraph be eliminated.

COUNCILWOMAN LUKAS MOVED TO APPROVE THE SPECIAL MEETING MINUTES FOR MAY 7, 2002 AND MAY 13, 2002; AND THE REGULAR MEETING MINUTES FOR MAY 13, 2002 AND MAY 7, 2002 (WITH THE REQUESTED REVISION). COUNCILMAN PETTYCREW SECONDED THE MOTIOIN WHICH CARRIED 6/0.

Consent Agenda (Items 1-17)

1. **Action:**

Adopt Resolution No. 6087 as the official canvass of the Runoff Election held Tuesday, May 21, 2002.

Purpose: To declare the official results of the May 21, 2002 Runoff election.

Staff Contact: Sonia Robertson, City Clerk, 480-312-2754, srobertson@ci.scottsdale.az.us

2. **Action:**

Mika

**To consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a new series 12 (restaurant) state liquor license.
State License #12075164
City Case #41-LL-2002**

Purpose:

The applicant is seeking a new liquor license for an existing location currently operating with an interim permit. This request comes from Stacey Theresa McDevitt, who filed on behalf of Mika Asian Grille, LLC, the owner of this establishment.

Staff Contacts:

Jeff Fisher, 480-312-7619, Email: jefisher@ci.scottsdale.az.us

Kurt Kinsey, 480-312-5141, Email: kinsey@ci.scottsdale.az.us

3. **REMOVED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION. SEE PAGE 10**

4. Action:

Austin's Steakhouse

**To consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a new series 12 (restaurant) state liquor license.
State License #12075167
City Case #43-LL-2002**

Purpose:

The applicant is seeking a new liquor license for an existing location. This request comes from Steve Phillip Garcia, who filed on behalf of Austin's Steakhouse, the owner of this establishment.

Staff Contacts:

Jeff Fisher, 480-312-7619, Email: jefisher@ci.scottsdale.az.us
Kurt Kinsey, 480-312-5141, Email: kkinsey@ci.scottsdale.az.us

5. Action:

Toyama Restaurant

**To consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a new series 12 (restaurant) state liquor license.
State License #12075165
City Case #44-LL-2002**

Purpose:

The applicant is seeking a new liquor license for an existing location currently operating with an interim permit. This request comes from Lauren Kay Merrett who filed on behalf of Toyama Restaurant, LLC, for George Kovalick, the owner of this establishment.

Staff Contacts:

Jeff Fisher, 480-312-7619, Email: jefisher@ci.scottsdale.az.us
Kurt Kinsey, 480-312-5141, ail: kkinsey@ci.scottsdale.az.us

6. Action:

**Request to consider approval of the replat of a portion of the Ironwood Preserve Subdivision, and release of the City of Scottsdale leasehold interest in the well site lease dated 5-8-1963 and as amended in 10-14-1970 as recorded in Maricopa County Records' Office, Arizona.
3-PP-1999**

Purpose:

To affect changes in Tract C (well monitoring station), Tract B, and Lot 19 to correctly align access from 64th street. The reallocation of Natural Area Open Space within Tract B and Lot 19 is due to the actual location of the well monitoring station and perimeter wall easements.

To dedicate the new Tract C to the City of Scottsdale for a monitoring well site in exchange for the release of the City of Scottsdale's leasehold interest (see attachment #5) over areas generally bounded by the existing Tracts B and C. In return for release of the leasehold interest, the owner will dedicate to the City, Tract C in addition to an ingress/egress easement.

Staff Contact:

Al Ward
Project Coordination Manager
480-312-7067
award@ci.scottsdale.az.us

Jon Chase
Principal Planner
480-312-2578
E-mail: jchase@ci.scottsdale.az.us

7. Action:
Replat of Paso Fino Estates subdivision
Request to consider approval of this replat
20 -PP -2000

Purpose:

To replat the original 13.8 acre Paso Fino Estates subdivision by adding 3.75 acres. The replat will increase the number of lots from 26 to 34 lots.

Staff Contacts:

Bill Verschuren
Senior Planner
480-312-7734
bverschuren@ci.scottsdale.az.us

Jon Chase
Principal Planner
480-312-2578
jchase@ci.scottsdale.az.us

8. Action:
Loloma Final Plat
Request to consider approval of Loloma Final Plat
12-PP-2002

Purpose:

To facilitate development of the Loloma project pursuant to the zoning approvals, abandonments and redevelopment agreement approved by City Council March 11, 2002.

This request comes from City of Scottsdale who filed on behalf of the City and the other multiple owners of this property.

Staff Contacts:

Jayna Shewak
Project Coordination Manager
480/312-7059
E-mail: jshewak@ci.scottsdale.az.us.

Jon Chase
Principal Planner
480-312-2578
E-mail: jchase@ci.scottsdale.az.us

9. Action:

Consider adopting resolution #6053, authorizing Amended Intergovernmental Agreement #2001-134A-COS (Maricopa County IGA #C-22-02-122-2) in order to receive a Workforce Investment Act grant in the amount of \$140,572.00 which will allow the City to provide employment and training services for Scottsdale youth.

Purpose:

The purpose of this Amended Contract Agreement with Maricopa County is to: a) increase the current contract to provide employment and training services for youth by \$140,000 (from \$75,000 to \$216,001) to provide an additional \$40,000 for FY 2001-2002 services and \$100,572 for FY 2002-2003 service delivery, b) to extend the contract term for one year, from July 1, 2002, until June 30, 2003, c) to increase the number of youth to be served from 46 to 117 (25 additional youth to be served in FY 2001-2002 and 46 additional youth to be served in FY 2002-2003).

Staff Contact:

Greg Bestgen, Human Services Specialist, phone 480-312-7922, gbestgen@ci.scottsdale.az.us

10. Action:

Consider ADOPTING Resolution No. 6075 AUTHORIZING Agreement No. 2002-074-COS with Train World Enterprises, Inc., dba Roy's Train World-At the Park, to operate a model railroad retail store at McCormick-Stillman Railroad Park, 7301 East Indian Bend Road in Scottsdale.

Purpose:

The purpose of this report is to ask the City Council to consider approving a lease with Train World Enterprises, Inc. to operate the model railroad retail store at McCormick-Stillman Railroad Park.

Staff Contacts:

Robin Rodgers, Asset Management Specialist, 480-312-2522, rrodders@ci.scottsdale.az.us
Bob McNair, Recreation Coordinator, 480-312-2731, bmcnair@ci.scottsdale.az.us

11. REMOVED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION. SEE PAGE 11

12. Action:

AUTHORIZE Architectural Services Contract 2002-075-COS with Richard & Bauer Architecture, LLC. in the amount of \$460,641.00 for the design of the Arabian Library Phase II Expansion.

Purpose:

The purpose of this action is to award an architectural services contract to design the expansion of the Arabian Library located at McDowell Mountain Ranch.

Staff Contact: Brad Wisler, Project Manager, 480-312-7626, bwisler@ci.scottsdale.az.us

Councilman Ortega noted that this item has to do with the expansion of the Arabian Library. He felt it was important to point out the economic climate for bidding as well as proceeding with the Bond 2000 items. The City will be tripling the size of the library. He felt the City is entering a favorable climate for professional bidding; thus, this is a good time to proceed.

13. Action:

ADOPT Resolution #6045, Resolution #6046, and Ordinance #3434, Adoption of the Uniform Standard Specifications and Details for Public Works Construction, 1998 (Including revisions through 2002); sponsored and distributed by the Maricopa Association of Governments; and adoption of 2002 City of Scottsdale Supplement to MAG Uniform Standard Specifications and Details for Public Works Construction.

Purpose:

Adoption of Resolution #6045 and Ordinance #3434 will have the effect of adopting the 2002 updates to the Maricopa County Association of Governments (MAG) Uniform Standard Specifications and Details for Public Works Construction. Adoption of Resolution #6046 and Ordinance #3434 will have the effect of adopting the 2002 updates to the City of Scottsdale Supplemental Specifications and Details.

Staff Contact: Alison Boldt, Project Mgr, (480) 312-7985, aboldt@ci.scottsdale.az.us

14. REMOVED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION. SEE PAGE 13

15. Action:

ADOPT Resolution No. 5891 Authorizing Agreement No. 2002-077-COS for the purchase of 25 feet of permanent Right of Way (ROW) and an adjacent 10 foot wide temporary construction easement (TCE) needed for the widening of Scottsdale Road at the Southwest Corner of Doubletree Ranch Road and Scottsdale Road from Clifford T. Ocheltree (Ocheltree) for \$120,335.00.

ADOPT Resolution NO. 6084 Authorizing Agreement No. 2002-081-COS for the purchase of 25 feet of permanent ROW and an adjacent 10 foot wide

TCE needed for the widening of Scottsdale Road along the west side of Scottsdale Road south of the intersection of Doubletree Ranch Road and Scottsdale Ranch Road from the Spiritual Assembly of the Bahai's of Scottsdale, Arizona, an Arizona non-profit organization (Bahai's) for \$116,000.00.

Purpose:

Resolution No. 5891 will authorize the purchase of the items listed below from the property owner at 7131 E. Doubletree Ranch Road to allow for the addition of one southbound lane along the west side of Scottsdale Road as part of the Scottsdale Road widening project between Indian Bend Road and Gold Dust Avenue. The Acquisition/Restoration site plan for the property at 7131 E. Doubletree Ranch Road (Attachment No. 5) was developed with input from the homeowner and depicts the items to be purchased and the impact of the project on the property.

Staff Contact:

Al Dreska, Municipal Services General Manager, 480-312-5555, adreska@ci.scottsdale.az.us

16. Action:

Adopt Resolution #6017 authorizing execution of professional services contract no. 2002-022-COS for insurance agent/broker services between Marsh and the City of Scottsdale for a one-year period at a cost of \$58,500.

Purpose:

To secure the expertise of insurance agent/broker services to assist in planning and arranging the City's property-casualty program that renews on July 1 of each year, including the services of program design, accessing the worldwide insurance market, identifying potential insurers, and structuring and negotiating terms and conditions of needed insurance coverage to protect City assets.

Staff Contact:

Myron Kuklok, Risk Management Director, 312-7841, mkuklok@ci.scottsdale.az.us

17. Action:

AUTHORIZE Professional Services Contract No. 02-028-COS with Canaudit, Inc. in the maximum amount of \$40,000 to conduct a Security Vulnerability Risk Assessment of the City's computer network.

Purpose:

Complete an independent vulnerability assessment of the City's computer network to evaluate logical controls and system configuration to ensure that the City's information system infrastructure, and the data within the system, remains reliable and secure.

Staff Contact:

Sonny Phillips, Assistant City Auditor (480) 312-2627, sphillips@ci.scottsdale.az.us

COUNCILMAN PETTYCREW MOVED TO APPROVE CONSENT ITEMS 1-17 WITH THE EXCEPTION OF ITEMS 3, 11, AND 14. COUNCILMAN ORTEGA SECONDED THE MOTION WHICH CARRIED 6/0.

ITEMS REMOVED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION

3. Action:

Oh's Korean Restaurant

To consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a new series 12 (restaurant) state liquor license.

State License #12075166

City Case #42-LL-2002

Purpose:

The applicant is seeking a new liquor license for an existing location currently operating with an interim permit. This request comes from Yong Hee Hogan, who filed on behalf of Ohgahnay Inc., the owner of this establishment.

Location: 1414 N. Scottsdale Road, Scottsdale, AZ 85257

Key Considerations:

- Per ARS 4-210C, the sixty-day limit for processing this application is 6/1/02.
- The Police Department has conducted a review and recommends approval on this case.
- Revenue Collection has reported that the applicant has met City licensing requirements and all fees have been paid.
- Code Enforcement has reported no City Code violations.
- Maricopa County Environmental Health has reviewed this application and reported no opposition on this case.

Applicant: Yong Hee Hogan, 816 S. Wilson St., Tempe, AZ 85281

Property Owner: Gary Malouf, 7065 E. McDowell Rd., Scottsdale, AZ 85257

Staff Contacts:

Jeff Fisher, 480-312-7619, Email: jefisher@ci.scottsdale.az.us

Kurt Kinsey, 480-312-5141, Email: kkinsey@ci.scottsdale.az.us

Mr. Fisher explained that this item is an application for a series 12-restaurant license, which requires at least 40% of total sales to be food. He noted that there would be no live entertainment element to this application; thus, a use permit is not required. The business is operating on an interim permit, which indicates that there was a previously held license on site.

Mayor Manross opened public testimony.

Norwood Sisson, 7431 E. Portland, expressed his belief that this would be an appropriate use for the site since the restaurant, in his estimate, sells approximately 90% food. He then referred to the map on page 221 in the packet provided to Council and the public. He felt the map was

incomplete since it didn't illustrate the locations of various schools, churches, as well as various businesses in the area that sell liquor.

Mayor Manross closed public testimony.

Mayor Manross noted that the application is seeking a liquor license for a location that currently has one for the previous business which was located there. The application has gone through the process including the standard police investigation with no objections being reported. All requirements and fees have been paid. She stated that everything appears to be in order for this application.

Councilman Ortega requested that any deficiencies, if any, in the application (map) be added for the record.

Vice Mayor Silverman requested clarification for the record. Mr. Fisher explained that the applicant is only required to disclose licenses within 300' of their premises. For a series 12 license, there is no requirement to list churches and schools. Such information is merely illustrated on the map for reference purposes. He confirmed that everything within 300' of the premises was listed as required for the application.

COUNCILMAN PETTYCREW MOVED TO FORWARD A FAVORABLE RECOMMENDATION TO THE ARIZONA DEPARTMENT OF LIQUOR LICENSES AND CONTROL FOR A NEW SERIES 12 (RESTAURANT) STATE LIQUOR LICENSE. STATE LICENSE #12075166; City Case #42-LL-2002 COUNCILMAN ORTEGA SECONDED THE MOTION WHICH CARRIED 6/0.

11. Action:

AUTHORIZE Construction Bid Award No. 02PB081 for the construction of Smokehouse and Hayden Water Distribution System Improvements to Citywide Contracting, LLC, the lowest responsive bidder, at their Unit Price Bid of \$ 353,423.00.

Purpose:

The purpose of this construction project is to improve the existing deficient potable water distribution system with a new ductile iron pipe system.

Key Considerations:

The goal of the City's Water Distribution System Improvement Program is to upgrade deficient components of the water distribution system over the next ten years. This is done through a series of prioritized design and construction contracts, in various locations throughout the city water service area. Priorities are based on compliance with current regulations, the ability to provide adequate water service, and ultimately public health and safety concerns. This proposed construction contract represents the current highest priority area in need of improvement.

The Smokehouse Trail and Hayden Road project is generally bounded by Hayden Road on the west, Pima Road on the east, Westland Road on the north, and Dove Valley Road on the south. The existing system, known as the High Chaparral Association, was obtained by the City of Scottsdale as part of a system acquisition.

This system consists mainly of 1-1/2" PVC lines with numerous connections supplied by one meter. These waterlines are substandard in size, pipe material, and capacity. This system does not meet the minimum requirements established by the Arizona State Department of Health Services, the Arizona Administrative Code, or the City of Scottsdale Design Standards and Policies Manual.

This project will improve and upgrade the existing deficient waterlines with ductile iron pipe to meet fire protection requirements, the City, County, and State design standards, and provide appropriate service to existing customers that were a result of the system acquisition.

Staff Contact: Alison Boldt, Project Manager, (480) 312-7985, aboldt@ci.scottsdale.az.us

Councilman O'Hearn explained that he pulled items 11 and 14 off of the consent agenda although he isn't requesting a presentation. He suggested that both items could be discussed at the same time to save time since both items deal with authorizing construction bids for improvements to the water distribution system.

In response to questions from Councilman O'Hearn, Assistant City Manager Roger Klingler explained that the City's water system has expanded over time by acquiring private water companies. The City plans to upgrade the systems as they are acquired.

Councilman O'Hearn pointed out that it is important for citizens to know that the City never approved water systems that did not meet the City's standards.

Councilman O'Hearn noted that staff provided a map to Council indicating the water system projects that are planned for the next 10 years. He questioned the distribution of the projects over the next 10 years. In response Alison Boldt, Capital Project Management, explained that currently the request is to award the construction contract for the water distribution system improvements for the Smokehouse Trail and Hayden area. In July, the project for the area south of Thomas on Hayden Road is scheduled to be heard by Council. She noted that there are three projects (A, D, and E on the map provided in Council's packet) currently under design that could be scheduled for construction this winter.

In response to additional questions, Ms. Boldt explained that the projects are part of a ten year program; however, noted that the projects listed in Council's packet will be forthcoming over the next few years. Staff plans on updating and adding to the map as new areas of construction are identified.

Councilman O'Hearn questioned the difference in the bid awards that were received. Mr. Klingler explained that contractors sometimes present lower bids since they have crews in the area. Sometimes, the contractor's bid reflects the fact that they are more familiar with the projects. Other contractors have a sufficient amount of work; thus, charge more. He explained that the City goes through the bidding process to allow the City to reduce costs by accepting the lowest bid from a qualified contractor.

Councilman O'Hearn questioned if City's engineering staff try to anticipate what the range of the bids might be. Mr. Klingler confirmed that occasionally an engineer's estimate is completed by staff. He pointed out that sometimes, the estimate is conservative where bids are received lower while other times the bids are higher due to an unusual bidding situation. Ms. Boldt stated that the City did complete an engineer's estimate of \$500,000 for this project.

Councilman O'Hearn pointed out that the contractor that was selected for item number 11 was not even on the list for item 14. He asked for clarification on this issue. Ms. Boldt explained that Citywide Contracting did not bid on item 14. She explained that item 11 was out for bid first. Since the Citywide Contracting was the lowest bidder on item 11, Ms. Boldt surmised that the firm did not want to expend the time or money to bid on item 14.

Ms. Boldt confirmed for Councilman O'Hearn that the firms recommended for the contracts regarding items 11 and 14 are the low bidders for the each project.

COUNCILMAN O'HEARN MOVED TO AUTHORIZE CONSTRUCTION BID AWARD NO. 02PB081 FOR THE CONSTRUCTION OF SMOKEHOUSE AND HAYDEN WATER DISTRIBUTION SYSTEM IMPROVEMENTS TO CITYWIDE CONTRACTING, LLC, THE LOWEST RESPONSIVE BIDDER, AT THEIR UNIT PRICE BID OF \$ 353,423.00. COUNCILMAN ORTEGA SECONDED THE MOTION WHICH CARRIED 6/0.

14. Action:

AUTHORIZE Construction Bid Award No. 02PB022 for the construction of Pinnacle Peak Waterline Replacements – Pima Road to Church Road to Achen-Gardner Engineering, L.L.C., the lowest responsive bidder, at their Unit Price Bid of \$743,083.20.

ADOPT Resolution No. 6071 authorizing the purchase of six waterline easements for the appraised value of \$ 44,641 required for the construction of replacement and connecting waterlines from Church Road to Santa Catalina Drive and from Calle de las Brisas to Lost Canyon Drive.

Purpose:

The purpose of this construction project is to replace existing, failing, plastic potable water lines with new ductile iron pipe, as part of the City's ongoing waterline replacement program. Resolution No. 6071 authorizes the acquisition of six waterline easements necessary to connect and maintain the new potable waterlines on Church Road to Santa Catalina Drive and on Calle de las Brisas to Lost Canyon Drive, which will provide more reliable service to an existing system.

Key Considerations:

The project extends along Pinnacle Peak Road, from Pima Road east to Church Road, and north on Church Road to Santa Catalina Drive (see Attachment No. 2). The existing waterline on Church road is a dead end system with only one water source serving the area. Developers originally installed waterlines in the Pinnacle Peak Road and Pima Road area of the City over twenty years ago. The poly-vinyl chloride (PVC) waterlines have deteriorated to the point that an excessive number of breaks have been experienced in recent years, resulting in continued repairs and inconvenience to the residents. The goal of the City's ongoing Waterline

Replacement program is to replace existing deteriorating and substandard pipe with new ductile iron pipe. This program involves a series of prioritized design and construction contracts, in various locations throughout the city water service area. The Water Resources Department has developed priorities based on history and frequency of waterline breaks in a given area. This proposed construction contract represents a current high priority area in need of improvement.

As breaks have occurred, the Water Resources Department has been unable to provide continuous service to the customers because the existing waterline on Church Road is a dead end system with only one water source serving the area. By extending the waterline on Church Road to Santa Catalina Drive, utilizing a new 20-foot wide waterline easement, this project will provide for a looped water system. Without this additional connection and the necessary waterline easements, the City will be unable to serve water continuously to North Church Road and other surrounding areas in the event of a waterline failure.

Staff Contact:

Alison Boldt, Project Manager, (480) 312-7985, aboldt@ci.scottsdale.az.us
Rhonda Thomas, Right-of-Way Agent (480) 312-7847, rthomas@ci.scottsdale.az.us

COUNCILMAN O'HEARN MOVED TO **AUTHORIZE** CONSTRUCTION BID AWARD NO. 02PB022 FOR THE CONSTRUCTION OF PINNACLE PEAK WATERLINE REPLACEMENTS – PIMA ROAD TO CHURCH ROAD TO ACHEN-GARDNER ENGINEERING, L.L.C., THE LOWEST RESPONSIVE BIDDER, AT THEIR UNIT PRICE BID OF \$743,083.20; AND **ADOPT** RESOLUTION NO. 6071 AUTHORIZING THE PURCHASE OF SIX WATERLINE EASEMENTS FOR THE APPRAISED VALUE OF \$ 44,641 REQUIRED FOR THE CONSTRUCTION OF REPLACEMENT AND CONNECTING WATERLINES FROM CHURCH ROAD TO SANTA CATALINA DRIVE AND FROM CALLE DE LAS BRISAS TO LOST CANYON DRIVE. COUNCILMAN ORTEGA SECONDED THE MOTION WHICH CARRIED 6/0.

Regular Agenda (Items 18-20)

18. Action:

AUTHORIZE professional services contract #2002-080-COS with Pacific Technologies Inc. (PTI) to prepare a Technology Strategic Plan for the City of Scottsdale, in the amount of \$156,250.

Purpose:

Information technologies are in use every day to leverage our human capacity to provide service to the Scottsdale community. The City has made capital investments for fiber optic cabling, servers, routers, PC's, printers, etc, to build and sustain our information network. Given those investments, and the increasing reliance on technology tools for daily service, it is appropriate to seek independent professionals to provide an assessment of the City's current technology environment, and to develop a five-year strategic plan for future direction.

This contract will provide professional services to the City of Scottsdale in two phases:

Phase 1 will assess the City's current technology environment, including but not limited to: the network and supporting infrastructure; staffing; budget; capital investment program; and strategic plans currently in place. The selected firm is asked to make such recommendations as appropriate, based on assessment findings.

Phase 2 will use the information and findings from the assessment to develop a five-year Technology Strategic Plan. This road map for technology will include very specific recommendations for years one and two and will identify high priority projects that will enhance the City organization. The plan will include the technical and management initiatives required to accomplish these projects. Years three through five will include similar information but will be more visionary and broad as details cannot be specified today.

The Information Systems Department has \$200,000 budgeted for this effort. A 20% contingency will be included for a total encumbrance amount of \$187,500. The contingency funds will be used if a change in scope is needed to explore a specialized area of technology or the City organization that is outside the scope of the original contract. The remaining \$12,500 will be returned to the General Fund.

Key Considerations:

The last independently prepared Technology Strategic Plan was completed in 1992. It is now an appropriate time to invite an independent analysis of the City's internal strategic planning efforts. Currently, an internal staff team conducts these efforts annually.

The proposed assessment and strategic planning effort includes significant community and citizen inputs regarding technology needs and expectations. Included in this community outreach effort are two community focus groups, a web-based survey, and a hard-copy survey. The Plan also includes five planning workshops with the City's Technology Board, and will involve over 160 stakeholders within the organization in the preparation of the assessment and the strategic plan. We anticipate the assessment and the resulting Technology Strategic Plan to be completed within 9 months.

This evaluation supports the following City Council goals: E – Balance Infrastructure and Resource Needs Within Budget, F – Make Government Accessible, Responsive, and Accountable and G – Ensure Fiscal Responsibility. This evaluation is supported in the Citizen Budget Committee's report on the Budget for fiscal year 2002-2003.

Staff Contact:

Carder Hunt, Chief Information Officer, (480) 312-2795, CarderHunt@ci.scottsdale.az.us
Jennifer Jensen, IS Departmental Advisor, (480) 312-4137, Jjensen@ci.scottsdale.az.us

Mr. Hunt explained that this item is a request for Council to consider hiring a consulting firm to conduct an assessment and prepare a strategic plan for technology for the City. His presentation and comments are summarized below.

Selection Process

- ◆ Solicited proposals from over 120 vendors
- ◆ 15 Proposals received and evaluated against a criteria matrix
- ◆ 7 vendors invited to make oral presentation and complete a Best and Final Offer (BAFO)
- ◆ 2 vendors invited to make an oral presentation to the Technology Board
- ◆ The Technology Board is recommending Pacific Technologies Inc. based on review of proposals, BAFOs, and the oral presentation.
- ◆ Evaluation team included members from 5 operating departments as well as Information Systems staff.
- ◆ Technology Board is comprised of representatives from the major City departments as well as the City Auditor.

Pacific Technologies Inc.

- ◆ Incorporated in 1993
- ◆ Mr. Dan Borgen and Mr. Mike Silverman – Co-Chief Executive Officers
- ◆ Staff of 12 employees
- ◆ Directly involved in the preparation of over 30 strategic technology plans
- ◆ Specializes in local government systems planning services:
 - Strategic Systems Planning
 - E-Government Strategic Planning
 - Feasibility Analysis
 - Software Procurement
 - Project Management

Scope of Work

- ◆ 2 phase approach:
 - Assessment of Current State
 - Development of the Technology Strategic Plan

3 Key Focus Areas

- ◆ Community & Citizen Needs & Expectations
 - Overall community technology expectations
 - Electronic Government
 - Government to government, business, customer needs and relationships
 - Community Focus Group
 - Web surveys, written surveys
- ◆ Current Staffing Model
 - Centralized vs. Decentralized staffing structure
 - IT Governance
 - Application Maintenance
 - Application Development
 - Internal Training & Support
 - Project Management

- ◆ Technical Infrastructure
 - Voice and Data Network
 - Hardware and Software Standards
 - Current level of technology available and in use
 - Financial Resources
 - Electronic Government
 - Migration Strategies

Strategic Plan

- ◆ 5 year plan
 - Years 1 & 2 include firm project plans - budget, schedules, & expected outcomes
 - Years 3-5 include strategic direction, emerging technologies, and key milestones
- ◆ Ensures that technology investments align with City Mission and Council Business Objectives

Mayor Manross requested additional information regarding the timeframe the project would take for completion. Mr. Hunt explained that sufficient outcome from the project is expected to be used in preparing financial plans for the fiscal year 2003-04. The final plan is due to the City on or before February 28, 2003. He stated that the process of developing the plan in itself is extremely useful.

In response to additional questions from Mayor Manross, Mr. Hunt confirmed that the last strategic plan was completed for the City in 1992.

Councilman Pettycrew questioned if the scope of work is strictly for the internal use of the City in terms of the network infrastructure. Mr. Hunt confirmed that the community infrastructure master plan is being developed separately by staff in conjunction with the City's vendors. He stated that staff originally anticipated a completion date of almost three months prior to today's date. The City has had a difficult time convincing the industry to share its infrastructure plans or intentions due to the competitive nature of the industry and the relatively young age of the companies. He stated his desire to complete the master plan by the end of the summer.

Councilman Pettycrew explained that it is very important for the community to ensure that the City's infrastructure allows the City to be competitive in the future.

Councilman O'Hearn questioned the citizen's role in the process. Mr. Hunt explained that specifically, an electronic survey as well as a hard copy survey would be conducted. The hard copy would be published in the local newspaper. Both the surveys would be considered self-selective surveys since the people would choose to respond. Additionally, there will be at least two community focus groups each being comprised of 10-20 community representatives. The intent is to try to better understand the needs and expectations of the population that will ultimately be served more and more through electronic processes both for efficiency and to allow for customized services.

In response to additional questions from Councilman O'Hearn, Mr. Hunt stated that the best example of the types of citizen input would be the call center. The questions would revolve around how the center is structured, how the City could use technology to better serve the residents, etc. He explained the focus groups and questionnaires will allow the City to structure the questions and sessions to explore the solutions in detail.

Councilman O'Hearn requested that the consultant identify the types of questions that might be presented to the citizens in the survey. Steve Sodom with Pacific Technologies, Inc. explained that the process would need to identify as much with the City staff as with the public. The study would identify what tools the employees need to do their jobs. Citizen input would be more in the line of what services they'd like to see provided in a different manner than are currently being provided. For example, do the citizens want to be able to pay their bills on line. If so, by credit card or through an automatic withdraw from their checking account. He explained that the information gathered from the community focus groups and the surveys must be balanced with the input from the customer service side within the City. If requests are commonly heard by customer service representatives with validation received from the citizens, then a determination would be made if an investment in the particular area is warranted.

Mr. Sodom confirmed for Councilman O'Hearn that citizen participation surveys were conducted for some but not all of their other clients. He admitted that in at least one of those instances, the process didn't turn out to be very informative.

Councilman O'Hearn asked if the City has a process in place to cut back a particular phase of the program if it is determined that information being collective isn't very informative. Mr. Sodom explained that the option is available as well as looking at the volume driven customer contact points to determine the best way to gain efficiencies.

Councilman O'Hearn explained that he supports the study and pointed out that the Citizens Budget Committee strongly recommended it. He pointed out his belief that it is important, as the City moves forward with these types of technology studies, that the City determine the most efficient way to spend money on technology.

Councilman Ortega pointed out that earlier tonight, Council approved item 17. The action approved a contract to conduct a Security Vulnerability Risk Assessment of the City's computer network. He stated that the risk assessment is equally important. He questioned if Pacific Technologies, Inc. is affiliated with Canaudit, Inc. which is the firm who was awarded the risk assessment contract. Mr. Sodom confirmed that they are not affiliated in any way.

Councilman Ortega expressed his belief that it is of value to have a second opinion on that particular area of expertise. He explained that the other consultant should be completing their work in approximately three months. He questioned if Pacific Technologies, Inc. would be able to consult with the City's other consultant (Canaudit, Inc.) regarding the measures needed to protect the City's systems. Mr. Sodom confirmed that in terms of the City's infrastructure, any work that the other firm would be willing to share would be considered in their evaluation and recommendations.

Councilwoman Lukas stated her support of the measure since she felt it is important. She asked for clarification on the role of the technology board and if the role of the board would be impacted by the study. Mr. Hunt explained that the technology board's purpose is to ensure that the organization's investment in technology benefits all of the operating departments in service to the community. The representation is broad and at a senior executive level to ensure the organizational wide scope. He explained that the proposed contract includes an examination of the board to ensure its effectiveness.

COUNCILMAN ORTEGA MOVED TO AUTHORIZE PROFESSIONAL SERVICES CONTRACT #2002-080-COS WITH PACIFIC TECHNOLOGIES INC. (PTI) TO PREPARE A TECHNOLOGY STRATEGIC PLAN FOR THE CITY OF SCOTTSDALE, IN THE AMOUNT OF \$156,250.
COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 6/0.

19. Action:

To consider Resolution No. 6083 (Attachment A) hearing and passing upon any protests and/or objections received regarding the City of Scottsdale Downtown Enhanced Municipal Services District No. 2 and ordering the provision of enhanced municipal services with the costs thereof to be assessed against the property in the District.

Purpose:

The purpose of this agenda item is to have Council hear and consider any protests and/or objections that may be received regarding the EMSD No. 2 by the deadline of May 21, 2002. If Council wishes to continue with the EMSD they would then pass upon the protests and/or objections. Council would also be asked to order the provision of the enhanced services which will set the assessment rates and the revenue expectations for the District and allow the City to move forward to contract for the enhanced level of marketing and promotion for the District area.

Key Considerations:

The Downtown Scottsdale Enhanced Municipal Services District No. 2 has been proposed to provide a higher level of marketing and promotion services than provided in the remainder of the community. With the approval of Resolution of Intention (Resolution No. 6060 on April 29, 2002, Attachment B) legal notices were mailed to each property owner regarding the proposed enhanced services, the assessments for their property over the next five years, and the objection period and method for objecting. A copy of the letter and flyer used for legal notice are attached (Attachment C). Additionally, notices were posted at the city, advertised for 5 days in the Tribune Newspaper and posted every 300 feet within the boundaries of the proposed District area.

Should the City receive one or more protests to the provision of such services and one or more objections to the extent of the proposed assessment district by the deadline of May 21st, then the Council shall hear those protests and objections and determine whether to move forward with the provision of enhanced municipal services in the District, as contemplated by Resolution No. 6060. If the Council determines that the protests and objections are either insufficient or without merit, and elects to proceed at that time, it would do so by adopting Resolution No. 6083, which overrules such protests, denies such objections, orders the enhanced municipal services to be provided and directs the publication of notice inviting sealed bids for the provision of such services.

The next and last step would be to consider bids received to provide the desired services and award a contract for management of the services and to approve the final budget for the work. Subsequently, in each succeeding year, there would be annual City Council hearings regarding the budget and assessments for the services to be provided in the District and any objections regarding those assessments.

Staff Contacts:

Laurel Edgar, Revitalization Manager, Economic Vitality, 480.312.7313, ledgar@ci.scottsdale.az.us and Sahler Hornbeck, Downtown Liaison, Citizen & Neighborhood Resources, 480.312.2394, shornbeck@ci.scottsdale.az.us

Ms. Edgar introduced the item with a brief presentation. Her presentation and comments are outlined below.

Objection Hearing and Action to Order Work for the Enhanced Municipal Services District

- Adopt Resolution 6083, Overruling Protests, Denying Objections and Ordering the Provision of Enhanced Municipal Services District
- Adopt Resolution 6083, with modifications to Res. No 6060, regarding any of the main points for the District:
 - Annual Incremental Increase
 - Re-authorize Assessments in 5 year Intervals
- Delay Objection Hearing to June 17th
- Deny Request To Move Forward
- **What is an Enhanced Municipal Services District (EMSD)?**
 - A tool authorized by Arizona law that allows for an enhanced level of services (marketing and promotion, maintenance, security, and/or parking management) within a specified area of a designated Redevelopment Area through additional property tax assessments within the District boundaries.

EMSD Mission/Goals

Provide coordinated marketing and promotional tools for Downtown with the costs being shared by property owners and businesses in the area in order to remain competitive.

EMSD Public Dialogue

- Calls and meetings with Downtown Business & Property Owners - Fall 2001 to Spring 2002
- Citizens petition asking for new EMSD - January 2002
- Phone survey - March 2002
- Public Hearing – Approval of Engineering Contract – April 1, 2002
- Willdan property survey update - early April, 2002
- Information Flyer mailed to all Property Owners and hand delivered to all Business's April 17-22, 2002
- Public Hearing, Adopting Resolution of Intention on April 29, 2002
- Notices of Resolution of Intention Approval posted every 300 feet within District boundaries May 4, 2002
- Notices of Resolution of Intention Approval posted at City Clerk's
- 241 Individual Property Assessment Information Letters mailed to legal addresses on May 6, 2002
- RFP for Management Entity for Enhanced Marketing & Promotion mailed out May 17, 2002
- Public Objection Hearing, May 28, 2002

Legal Definitions

- Protest – A written statement by a property owner that the District should not be formed or services should not be provided. Protests by 51% LF stops process.
- Objection – A written statement by a property owner disputing the property's inclusion, the amount of the assessment, or the assessment methodology.

Objections and Protests Received

Totals	Owners	Parcels	Linear Feet (LF)	LF %
District	241	546	53,803	100.00%
Objections	1	2	64	0.12%
Protests	8	27	3,244	6.03%
Total LF in Objection/Protest				6.15%
Total LF in Valid Protests				5.61%

Returned Mail, as of 05.24.02

Totals	Owners	Parcels	Linear Feet (LF)
District	241	546	53,803
Returns	28	46	4,676
	11.6%	8.4%	8.7%
Remailed	21	33	2,776
	8.7%	6.0%	5.2%
Unidentified	7	13	1,900
	2.9%	2.4%	3.5%

Incorrect City Clerk Address

- Letter to Property Owners contained information explaining how to protest with City Clerk's address as 39039 N. Drinkwater
- Post Office Delivery Supervisor says 95%+ probability that letters were delivered to City Clerk @ 3939 N. Drinkwater
- Legal Counsel advises that City may proceed

EMSD Timeline

	Current	Delayed
Objection Hearing/Action to Order Work	05/28	06/17
MGT RFP Due	06/10	07/01
Interim MGT Contract	n/a	07/02
MGT Contract Award	06/17	08/20
MGT Protest Hearing/Review	07/02	09/10

Management RFP

- Issued May 17, 2002.
- Proposal Deadline is June 10, 2002.
- Mailed to over 130 marketing/advertising firms statewide.
- Scope of Work
 - General Administration
 - Marketing and Promotion
 - Coordination with the City
- Contract to Council, June 17, 2002.

Tonight's Options for EMSD

- Adopt Resolution 6083, Overruling Protests, Denying Objections and Ordering the Provision of Enhanced Municipal Services District
- Adopt Resolution 6083, with modifications to Res. No 6060, regarding any of the main points for the District:
 - Annual Incremental Increase
 - Re-authorize Assessments in 5 year Intervals
- Delay Objection Hearing to June 17th
- Deny Request To Move Forward

EMSD Timeframe

- Authorization for 5 years of property tax assessments, 2002-2006.
- Permits re-authorization for additional five year periods of time with Council approval at the end of each five year time period.
- Typically done by other municipal EMSD's

Ms. Edgar explained that it appears that the City will have a minimum of four firms submitting proposals to be considered to manage the district.

Councilwoman Lukas suggested a revision in the language used in the notification letter in case of future use. She explained that the letter should read, "City Council would hear and consider passing on protests and objections rather than the City Council would hear and pass on protests and objections. She stated that the letter as stated makes it sound like a foregone conclusion.

Mayor Manross opened public testimony.

Carroll Huntress, 5005 N. Scottsdale Road, stated that he owns a business at 4005 N. Scottsdale Road and is the current president of the Downtown Scottsdale Partnership which is the management firm for the current ESMD. He urged Council to continue with the process to award a contract. He stated that the district has had a lot of support and has accomplished its mission to market and promote the downtown area. He urged Council to consider better City support for the organization in the future.

Sam West, 8160 N. Hayden Road, #J-210, explained that he has been involved in the downtown area for several years. He requested that the public participate in the decision making process if public funds are

to be used towards the EMSD. He stated his understanding that the existing contract for the district is aimed primarily at marketing; however, the direction of the proposed district includes some physical aspects of the downtown area. If the district is involved in any decisions that involve public property, he stated his belief that the citizens need to be involved in the process. He urged Council to include his suggestions in the new contract.

Timothy Yarborough, 7125 E. 5th Avenue, spoke in support of the idea and the intent of the EMSD. He stated his belief that the EMSD is crucial to the health and vitality of the downtown area and with proper management, it could accomplish all of its original goals. He objected to any renewal of the current management contract. He stated his opinion that under the current management, there has been gross mismanagement of advertising dollars spent to promote a downtown Scottsdale website which didn't even exist until earlier this year. He explained that the website, as it exists currently, doesn't contain enough information for a consumer to contact the merchant of their choice. The site lacks phone numbers for nearly $\frac{3}{4}$ of the merchants listed. He urged Council to listen to the merchants and to make any increases in assessments based on the performance of the management company.

Mayor Manross explained that the City is required to put out an RFP (request for proposal) for a management company for the EMSD. The company chosen won't necessarily be the current management company. She stated that the contract is not renewed automatically with any particular group. As far as the annual incremental increase is concerned, the increase is determined by Council through a public process.

Janet Harris, 6939 5th Avenue, spoke as a property owner in the downtown area. She pointed out that the EMSD always encourages public participation in any of their meetings which are open to the public. She encouraged anyone watching the meeting to join the EMSD efforts. She stated that the new website has recently been implemented and is currently being updated.

Mayor Manross closed public testimony. An additional 11 cards were received from citizens in favor of item 19 who did not wish to speak.

Councilman Ortega stated his belief that the error regarding the City Clerk's mailing address, as noted in staff's presentation, is not a major issue since there is overwhelming support for the district. He stated that the City has received several letters and comments in support of the district. He expressed his opinion that the City needs to support the business owners who have banded together. At the present time, the City has funded \$50,000 per year; however, property owners and businesses have raised $\frac{1}{2}$ million. He noted that the assessments are over five years old.

Councilman Ortega pointed out that the Arizona legislature passed House Bill 1429 last week. This bill allows an EMSD to exist in an area other than a redevelopment area.

Vice Mayor Silverman pointed out that Council is not voting for any increase in assessment for the district tonight. Each year, the Council may or may not approve the increase. He stated his belief that it is extremely important that the district sunset in five years since a thorough evaluation of the EMSD is needed. He stated that without a provision for the district to sunset, the thorough evaluation might not be performed.

In response to questions from Mayor Manross, Ms. Dolan explained that the issue of sunseting is a policy decision for Council to make. One approach would be a more thorough legal process that allows objections to be filed where the other is more of an informal process before the Council.

Councilman O'Hearn expressed his opinion that the modification to allow the district to sunset with a thorough evaluation would be good business practice. If the district is a good thing, it will easily go through the sunset process.

Councilman Ortega explained that he supports the resolution as written since there are controls built into the management contract. He disagreed that the process should be a stop and go process.

Vice Mayor Silverman questioned the total amount of money being raised from the downtown property owners and merchants each year. Ms. Edgar explained that the assessment total would be \$540,000 if the same categories and rates are maintained.

Vice Mayor Silverman stated that since the amount would be approximately \$5.5 million over a five-year period, the sunset feature should be added to allow control.

Mayor Manross requested additional information from staff regarding the controls the City would have if the district didn't sunset. Ms. Edgar explained that the way that Resolution 6060 currently reads, prior to the end of the 5 year period, Council would determine whether or not they wish to reauthorize the district. Council could request that staff take whatever steps Council would like to see as part of the reauthorization.

The reason that staff investigated the possibility of allowing a reauthorization in this manner was two fold. First, it would give Council the ability to make the decision every five years. Secondly, it allowed the district not to expend quite as much money on an engineer and legal counsel as was necessary to bring the action forward to this point. Every year, a budget reauthorization would be necessary. Legal assessment notices would also have to be mailed. An objection time period is also necessary. Ms. Edgar explained that extra money was spent on staff going out and having conversations with the business and property owners.

Mayor Manross pointed out that everyone wants to ensure there are opportunities for the public to provide input. City Attorney Pennartz explained that at a minimum, if the resolution was passed in the form that it was in Council's packet, a Council action would be required at the end of the five year period to keep the district from sunseting. This would be decided in a public meeting whereas the public would have the opportunity to speak to the proposed action. Staff could be directed to notify every business owner in the district ahead of time. It simply wouldn't be the legally mandated process to reauthorize the district.

Councilman Pettycrew expressed his belief that although he understands what the motion is trying to accomplish, it is more important to build in flexibility. He questioned why the City should be required to spend additional funds to re-engineer the process if it is working fine. If it is not, the Council could still sunset the district. He stated his support of the original resolution without the proposed modification.

Mayor Manross stated her support of the original resolution since the Council is required to have yearly budget reauthorizations for the district, legal assessments have to be sent out every year with an objection time period built into the process, Council decides whether to allow increases in the assessment, and Council decides if the district will move forward every year. She stated her belief that enough is built into the process that it is secure for the community.

Councilwoman Lukas expressed her belief that there is overwhelming community support for the resolution as it is currently written.

VICE MAYOR SILVERMAN MOVED TO ADOPT RESOLUTION NO. 6083 (ATTACHMENT A) HEARING AND PASSING UPON ANY PROTESTS AND/OR OBJECTIONS RECEIVED REGARDING THE CITY OF SCOTTSDALE DOWNTOWN ENHANCED MUNICIPAL SERVICES DISTRICT NO. 2 AND ORDERING THE PROVISION OF ENHANCED MUNICIPAL SERVICES WITH THE COSTS THEREOF TO BE ASSESSED AGAINST THE PROPERTY IN THE DISTRICT WITH A MODIFICATION TO RESOLUTION 6060 SECTION 10 (PAGE 622). THE MODIFICATION SHOULD READ, "THE AUTHORITY TO ASSESS PROPERTY IN THE DISTRICT TO PROVIDE ENHANCED MUNICIPAL SERVICES SHALL EXPIRE ON DECEMBER 31, 2006. COUNCILMAN O'HEARN SECONDED THE MOTION WHICH WAS DENIED BY A 2/4 VOTE (D.O., M.M., R.P., C.L.)

COUNCILMAN ORTEGA MOVED TO ADOPT RESOLUTION NO. 6083 (ATTACHMENT A) HEARING AND PASSING UPON ANY PROTESTS AND/OR OBJECTIONS RECEIVED REGARDING THE CITY OF SCOTTSDALE DOWNTOWN ENHANCED MUNICIPAL SERVICES DISTRICT NO. 2 AND ORDERING THE PROVISION OF ENHANCED MUNICIPAL SERVICES WITH THE COSTS THEREOF TO BE ASSESSED AGAINST THE PROPERTY IN THE DISTRICT. COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 5/1 (T.S.).

20. Action:

Consideration of a request from the Scottsdale Jaycees to waive certain facility use policies and fees at WestWorld for the upcoming "Scottsdale Lights It Up" 4th of July Celebration.

Purpose:

This action would allow the Scottsdale Jaycees to produce their 4th of July celebration at WestWorld with the following waivers:

- The City to waive the 20% commission on all food and beverage concessions.
- The City to waive the requirement that all food & beverage concessionaires be approved vendors with agreements with City and required insurance.
- The City to grant the Scottsdale Jaycees a "Special Event Liquor License" and allow them to retain all proceeds from the sale of alcoholic beverages.
- The City to waive the 25-cent per square foot commercial vendor fee.
- The City to provide and fund the cost of off-site traffic management for this event.

Key Considerations:

The Scottsdale Jaycees, a community service organization, has provided opportunities for young professionals in the area of business development, community service and international networking. For many years they have organized community events, which provide funding for charitable organizations and causes serving Scottsdale.

The "Scottsdale Lights It Up" 4th of July Celebration is intended to foster civic pride and patriotism in the wake of September 11, in addition to providing an excellent recreational activity for our community to enjoy during this national holiday. Children's activities will be available as well as music, food booths, a military fly over and fire works.

The event is scheduled for Thursday, July 4, 2002, from 4:00 p.m. to 10:00 p.m. Admission charge would be \$10 per carload.

After being held at Rawhide for many years, the event was moved to WestWorld in 2001. The first event at WestWorld was fairly successful, and the Jaycees anticipate that it will be even better and more heavily attended this year, with total attendance estimated at 20,000.

Staff Contact:

Brad Gessner, WestWorld General Manager, (480) 312-6825, bgessner@ci.scottsdale.az.us

Mr. Gessner presented a slide presentation to introduce the action item. His presentation and comments are outlined below.

ACTION ITEM

Consideration of a request from the Scottsdale Jaycees to waive certain facility use policies and fees at WestWorld for the upcoming "Scottsdale Lights It Up" 4th of July Celebration.

Scottsdale Jaycees are requesting the City to:

- Waive the 20% commission on food and beverage sales
- Grant a "Special Event Liquor License" and allow them to retain all proceeds
- Waive the 25-cent per square foot commercial vendor fee
- Provide & fund the cost of off-site traffic management

Key Considerations

- The Scottsdale Jaycees is a community service organization with a history of funding charitable causes
- "Scottsdale Lights It Up" is intended to provide a recreational opportunity that will foster civic pride and patriotism
- This event is one of only 3 events booked at WestWorld during July

History

- Jaycees moved their 4th of July event to WestWorld in 2001
- City Council did not approve the Jaycees' 2001 request for \$62,266 in funding
- Jaycees paid rent in 2001, but were allowed to retain all food and beverage revenues; commercial vendor space was free

Community Impact

- 2001 event was fairly successful (no actual record)
- Scottsdale residents will have an excellent recreational opportunity on a national holiday
- Jaycees anticipate 20,000 attendees and have detailed plans for traffic control and parking

Financial Impact

- Anticipated revenue from the Jaycees is \$5,200 for polo field & parking lot rental

Lost revenue as a result of waiving the commissions on food & beverage sales and commercial vendor fees would be \$5,000 to \$10,000, depending upon attendance

Options

- Approve the request as outlined in the Jaycees' letter of April 16, 2002
- Approve a variation of the Jaycees' request for waivers and funding
- Deny the request of the Jaycees as outlined in their April 16, 2002 letter

LJ Trevillyan spoke on behalf of the Jaycees' request. She explained that the Jaycees have developed a working relationship with Monterras; thus, the organization is no longer requesting the special liquor license. She advised Council that the remainder of the requests as stated in her letter of April 16th are still being requested.

Ms. Trevillyan explained that unfortunately, there are not numbers available from last year's event. She noted, however, that this year's event has been publicized heavily to increase attendance over last year's figures. She pointed out the various performances that are planned for the event which are family-oriented.

Councilman Pettycrew requested confirmation that the Jaycees are not requesting a special liquor license for the event. Ms. Trevillyan confirmed that it is no longer being requested.

Vice Mayor Silverman questioned the insurance requirements for the vendors at the facility. Ms. Trevillyan explained that all the vendors are required to secure a \$2 million policy. She explained that it is her intention to request that the City and the Jaycees be included in the policies.

Councilwoman Lukas stated her support of the effort. It was her opinion that this year's event is even more important than last year. Even though the City is in a tight budget year, the cost to the City for the celebration is less than it was last year. She felt it would be money well spent.

Councilman Pettycrew explained that he supports the program and believes it is important for the City to put on an annual Fourth of July event. He suggested that this effort become an on-going partnership between the City and the Scottsdale Jaycees for the Fourth of July event.

Councilman O'Hearn questioned the amount of overtime that would be required by officers to manage traffic for the event. Mr. Gessner estimated that the overtime total would be approximately \$700 involving 5 officers and a sergeant for three hours. He explained that the personnel would be required to deal with the traffic exiting the event.

Councilman O'Hearn requested that Mr. Gessner report back to the Council if the overtime exceeded \$1000 for traffic control for the event.

Councilman Ortega applauded the Jaycees and the effort they put forth to plan the event. He explained that he did check on the participation from last year which was estimated at less than 1,000 people. He stated his belief that it is important to conduct a car count at the event this year to find out whether the event is growing. He suggested that the Jaycees consider organizing an event in the downtown area perhaps at Scottsdale Stadium.

Mayor Manross stated her belief that the event would be good for the community.

COUNCILWOMAN LUKAS MOVED TO WAIVE CERTAIN FACILITY USE POLICIES AND FEES AT WESTWORLD FOR THE UPCOMING "SCOTTSDALE LIGHTS IT UP" 4TH OF JULY

CELEBRATION THAT WOULD NOT INCLUDE THE REQUEST FOR THE SPECIAL EVENT LIQUOR LICENSE. COUNCILMAN PETTYCREW SECONDED THE MOTION WHICH CARRIED 6/0.

PUBLIC COMMENT - NONE

CITY MANAGER'S REPORT - NONE

MAYOR AND COUNCIL ITEMS

Mayor Manross announced that the DC Ranch Development agreement will be on the June 17th agenda.

Mayor Manross thanked all the stewards who have been out protecting the City's preserve due to the high fire season.

Councilman O'Hearn requested staff's interpretation of Senate Bill 1354, Chapter 216 entitled Protected Development Rights and Procedures as soon as possible.

ADJOURNMENT

With no further business to discuss, Mayor Manross adjourned the meeting at 7:36 P.M.

SUBMITTED BY:

Ann Eyerly, Council Recorder

REVIEWED BY:

Sonia Robertson, City Clerk

C E R T I F I C A T E

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular City Council Meeting of the City Council of Scottsdale, Arizona held on the 28th day of May 2002.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this _____ day of May 2002.

SONIA ROBERTSON
City Clerk